

STATE OF NEW JERSEY  
BUREAU OF SECURITIES  
P.O. Box 47029  
Newark, New Jersey 07101  
(973) 504-3600

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IN THE MATTER OF:

Douglas Costabile

CRD # 2581223  
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SUMMARY  
REVOCATION ORDER

Douglas Costabile  
14 Frost Valley Road  
Mount Sinai, New York 11766

Alix Fequiere  
Joseph Stevens & Company, Inc.  
175 Pinelawn Road  
Suite 100  
Melville, New York 11747

Pursuant to the authority granted to the Chief of the New Jersey Bureau of Securities ("Bureau") by the Uniform Securities Law, as amended, L. 1997, c. 276, N.J.S.A. 49:3-47 et seq., ("Law"), more particularly, N.J.S.A. 49:3-58, and after careful review and due consideration of Mr. Costabile's application for agent registration with Joseph Stevens & Company, the Bureau Chief has determined that the agent registration of Douglas J. Costabile shall be **REVOKED** for the reasons that follow:

1. Douglas J. Costabile ("Costabile") resides at 14 Frost Valley Road, Mount Sinai New York, 11766.
2. From in or around July 1, 1996 until around April 1, 1999, Costabile was employed as an agent of Ladenburg Capital Management, Inc. which later changed its name to

Gaines, Berland, Inc. Costabile was registered with the Bureau as an agent of this firm from around February 27, 1997 until around May 12, 1999.

3. From in or around April 19, 1999 until around October 27, 2000, Costabile was employed as an agent of Sharpe Capital, Inc., but he withdrew his application to register as an agent with the Bureau in July 1999.

4. Between around November 7, 2000 and December 6, 2000 Costabile was employed as an agent of Solomon Grey Financial Corporation, but he was not registered with the Bureau as an agent of this firm.

5. In or around January, 2001, Mr. Costabile switched firms to become an agent of Joseph Stevens & Company. His application to register as an agent of that firm was submitted to the Bureau through the Central Registration Depository ("CRD") of the National Association of Securities Dealers ("NASD").

6. Due to a computer glitch, certain agents' applications were automatically approved in New Jersey, without having first gone through the normal review. The Bureau contacted all agents affected by this glitch and requested certain documents to determine whether the individual should remain registered. Mr. Costabile was one of those affected agents, and a letter, dated July 2, 2001, requesting certain documents, was sent to Mr. Costabile.

7. On October 10, 2001, the Bureau sent a letter to Mr. Alix Fequiere, compliance officer at Joseph Stevens & Company, Inc., requesting execution of a supervisory agreement, which was deemed necessary in order to allow Mr. Costabile to remain registered. Mr. Fequiere responded by providing additional information which he believed would negate the need for an agreement.

8. On October 22, 2001, the Bureau requested additional documents for review, as

the information provided by Mr. Fequiere was not sufficient to negate the need for a supervisory agreement. On November 8, 2001, Mr. Fequiere called the Bureau and indicated that the requested information would be forthcoming.

9. On December 4, 2001, the Bureau had not yet received the requested information and a telephone message was left with Mr. Fequiere to inquire as to the status. On January 17, 2002, a second message was left with Mr. Fequiere, again inquiring as to the status of the additional information.

10. As of the date hereof, the Bureau is still not in possession of the requested information.

COSTABILE HAS FILED AN APPLICATION FOR REGISTRATION  
WHICH IS INCOMPLETE IN A MATERIAL RESPECT

N.J.S.A. 49:3-58(a)(1)

N.J.S.A. 49:3-58(a)(2)(i)

11. The preceding paragraphs are incorporated by reference as though set forth verbatim herein.

12. Pursuant to N.J.S.A. 49:3-58(a):

[t]he bureau chief may by order deny, suspend, or revoke any registration if he finds: (1) that the order is in the public interest; and (2) that the applicant or registrant ...(i) has filed an application for registration which as of its effective date, or as of any date after filing in the case of an order denying effectiveness, was incomplete in any material respect or contained any statement which was, in the light of the circumstances under which it was made, false or misleading with respect to any material fact.

13. Having failed to properly and timely respond to the Bureau's requests for



additional information to complete the registration application, Costabile has caused to be filed an application, which is incomplete in a material respect. This is cause, pursuant to N.J.S.A. 49:3-58(a)(2)(i) to revoke Costabile's registration.

14. Based upon the foregoing, the revocation of Costabile's registration as an agent is in the public interest and necessary for the protection of investors.

#### CONCLUSION

For the reasons stated above, it is on this 31<sup>st</sup> DAY of January <sup>2002</sup> **ORDERED** that the agent registration of Douglas J. Costabile with Joseph Stevens & Company, Inc. be **REVOKED** pursuant to N.J.S.A. 49:3-58(a)(1) and N.J.S.A. 49:3-58(a)(2)(i).



Franklin L. Widmann  
Chief, Bureau of Securities

#### NOTICE OF RIGHT TO HEARING

Pursuant to the Uniform Securities Law (1997), N.J.S.A. 49:3-47 et seq., specifically, N.J.S.A. 49:3-58(c), the bureau chief shall entertain on no less than three days notice, a written application to lift the summary revocation on written application of the applicant or registrant and in connection therewith may, but need not, hold a hearing and hear testimony, but shall provide to the applicant or registrant a written statement of the reasons for the summary revocation.

This matter will be set down for a hearing if a written request for such a hearing is filed with the Bureau within 15 days after the respondent receives this Order. A request for a hearing must be accompanied by a written response, which addresses specifically each of the allegations set forth in the Order. A general denial is unacceptable. At any hearing involving this matter, an

individual respondent may appear on his/her own behalf or be represented by an attorney.

Orders issued pursuant to this subsection to suspend or revoke any registration shall be subject to an application to vacate upon 10 days' notice, and a preliminary hearing on the order to suspend or revoke any registration shall be held in any event within 20 days after it is requested, and the filing of a motion to vacate the order shall toll the time for filing an answer and written request for a hearing.

If no hearing is requested, the Order shall be entered as a Final Order and will remain in effect until modified or vacated. If a hearing is held, the Bureau Chief shall affirm, vacate or modify the order in accord with the findings made at the hearing.

#### NOTICE OF OTHER ENFORCEMENT REMEDIES

You are advised that the Uniform Securities Law provides several enforcement remedies, which are available to be exercised by the Bureau Chief, either alone or in combination. These remedies include, in addition to this action revoking your registration, the right to seek and obtain injunctive and ancillary relief in a civil enforcement action, N.J.S.A. 49:3-69, and the right to seek and obtain civil penalties in an administrative or civil action, N.J.S.A. 49:3-70.1.

You are further advised that the entry of the relief requested does not preclude the Bureau Chief from seeking and obtaining other enforcement remedies against you in connection with the claims made against you in this action.